Post Office Monthly Income Account (POMIA) Scheme. However, deposits in accounts opened before 13.2.2006 shall continue to be eligible for bonus as hithertofore. The amendment has been made to align the effective yield on deposits under this scheme with other comparable savings instruments.

The rates of penalty for premature withdrawal of deposits under the POMIA Scheme have also been modified with effect from 10.2.2006. If the account is closed between 1 to 3 years from the date of opening of the account, deduction at the rate of 2% of the deposit, as against the earlier rate of 3.5%, and if the account is closed after 3 years, deduction at the rate of 1% of the deposit shall be made.

(d) The amendments are not expected to impact the growth of small savings. The effective return under the POMIA scheme at 8% per annum payable monthly is still higher than returns on other comparable savings instruments. While the revised penalty rates will provided relief to the depositors who need to close their accounts before 3 years, the nominal penalty of 1% after 3 years is expected to encourage the depositors to hold their deposits till maturity.

Food subsidies for BPL families

1516. SHRI AMAR SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of FINANCE be pleased to state:

(a) how much amount has been allocated for food subsidies for the current financial year for Below Poverty Line families and how much expenditure has been incurred upto 31st December, 2005;

(b) whether Government propose to introduce a system of cash payment for them instead of giving subsidy through the public distribution system; and

(c) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) An amount of Rs. 23,200 crore has been earmarked as food subsidies in the Revised Estimates for 2005-06, which includes, *inter alia,* provisions for both families below poverty line and above poverty line. As per the provisional data released by the Controller General of Accounts Rs. 15,290 crore has been incurred in the period April-December, 2005 under the head food subsidy.

(b) and (c) As the National Common Minimum Programme mandates targeting all subsidies sharply at the poor and truly needy like the small and marginal farmers, agricultural labour and urban poor, consultations were held with various stakeholders for evolving a consensus on this issue. Decision on the modalities of operationalising the same has not yet been made.

Loans to Students for higher education

†1517 SHRI RAM JETHMALANI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have fixed certain annual amount for providing loans to students for higher education;

(b) if so, the amount fixed for the years 2003-04,2004-05 and 2005-06 separately;

(c) the amount actually provided to the students out of the same; and

(d) the loan amount out of above turned as NPA during the above years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL) : (a) and (b) As per information furnished by IBA, no annual targets are fixed for education loans.

(c) As reported by RBI the details of education loan provided by scheduled commercial banks for the years 2002-03, 2003-04 and 2004-05 are as under:

(Rs. In crore)

Year	Education loan (Outstanding)
2002-03	3052.78
2003-04	4393.40
2004-05	6694.33

(d) As reported by RBI, NPA data for education loan is not captured separately.

†Original notice of the question was received in Hindi.